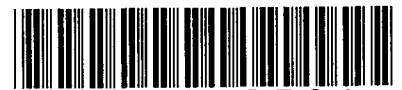


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28

**COMMENTARY & EXHIBITS
OF
INTERVENTION
IN
RESPONSE TO
THE PROPOSED RATE INCREASES
BY
UTILITY SOURCE LLC**

**ARIZONA CORPORATION COMMISSION
DOCKET NO. WS-04235A-06-03003**

**SUBMITTED BY:
PONDEROSA FIRE DISTRICT
PO BOX 16359
BELLEMONT, AZ 86015**

**AZ CORP COMMISSION
DOCUMENT CONTROL**


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Historical Background

The Ponderosa Fire District was formed as the Parks-Bellemont Fire District in accordance to ARS 48-261 and was finalized on May 19, 1997 when the Coconino County Board of Supervisors approved Resolution 97-20. In June 2006 the name was changed to Ponderosa Fire District to better represent the expanding geographic service area (Figure 1).

The Ponderosa Fire District encompasses approximately 35 square miles between Flagstaff and Williams, Coconino County, Arizona. The District is responsible for emergency response on twenty miles of I-40 for which it receives no tax-based revenue. The District does charge for out-of-district calls in compliance with ARS Statutes, but revenues generated from such calls are not a reliable source of income. Year to date the Ponderosa Fire Department has responded to 13 wildland assignments through the Arizona State Land Department ranging from Arizona to California and Idaho besides over 200 "local" emergency responses.

The District was formed as an all-volunteer fire district. Due to the increasing mandated administrative requirements, a full-time paid Chief and a half time Deputy Chief have been hired within the past year and a half. All firefighting and EMS personnel remain volunteer.

In the spring of 2006 a 6400 ft² station was put into service in Bellemont to accommodate the new growth and numerous local industries in the immediate Bellemont area. The new station provides improved service to the eastern half of the District, which extends to I-40 milepost 191 at the western outskirts of Flagstaff. While remaining principally a fire station housing up to seven fire apparatus and the District Offices, the new station also functions as the Flagstaff Meadows Home Owners Association meeting hall, firefighter training facility, Ponderosa Fire District Board of Director's meeting room, and the semi-annual blood drive center.

Present plans call for expanding the Bellemont Station by an additional 8400 ft² in the middle of 2007 to include living quarters for full time firefighters, and a public meeting room available to the residents of Bellemont for community functions. Additional office space and storage would be included.

The Bellemont Ponderosa Fire District station is an integral part of the planned Phase III of the Flagstaff Meadows Development. Like all of the Flagstaff Meadows Development, the Ponderosa Fire Station in Bellemont receives its water and wastewater services from Utility Source LLC.

Current water consumption varies from a high 13,000 gallons per month to a low of 800 gallons per month. The average consumption for the unmanned station is approximately 4,600 gallons per month. When fulltime personnel are living at the station and the community use reaches its full potential, water consumption will appreciably increase.

Commentary

The "PUBLIC NOTICE OF HEARING ON THE APPLICATION OF UTILITY SOURCE LLC, FOR AN INCREASE IN ITS RATE FOR WATER AND WASTEWATER SERVICE" explained Utility Source's (dated May 1, 2006), proposed residential rate increases of 231.47% (Figure 2) for water and 166.70% for wastewater (Figure 5). Since water and wastewater consumptions are considered equal, the proposed rate increase would approximate 199.09%.

The Ponderosa Fire District is charged as a commercial entity, all further calculations will be based on a 2" commercial service connection in accordance to the Utility Source billing.

Using 2" commercial rates the proposed Utility Source rate increase for water and wastewater would average to 202.58 %.

What the notice failed to mention was the proposed 825.71% increase in Monthly Usage Fees (Figure 3). Monthly Usage Fees would increase from \$14.00 to \$129.60 per month regardless of the total water used.

In an attempt to better understand the total proposed rate increase, the July 2006 Ponderosa Fire District bill from Utility Source approximated the station's average monthly consumption and is used for a basis for all further calculations (Figure 7). The same monthly consumption was used to calculate the "New Bill" (figure 8) using the proposed rates put forth by Utility Source LLC (Figures 4 & 6). This clearly illustrates that the July 2006 bill would increase from \$40.85 to \$206.36.

Based on the above calculations the actual rate increase to the Ponderosa Fire District would approach 505.17% above the present billing schedule.

It should be noted that Utility Source LLC has not filed audited annual reports with the Arizona Corporation Commission according to the Commission's web site (figure 9). It is understood that 2005 was a "test year". Without the audited financial data being made public, substantiating the claims of financial loss during the test year becomes prohibitive. Without collaborating evidence, the need for the requested rate increases may be unfounded.

Impact

Ponderosa Fire District is a state statute mandated tax-based governmental entity. The District Board of Directors formulates budgets in the spring for the up-coming fiscal year so that the proposed budget can be published and scrutinized by the taxpayers of the District before final approval. The finalized budget must be submitted to the County Board of Supervisors at the beginning of July so that the County Treasurer can assess tax revenues in October of the new fiscal year.

The current 2006-2007 budget has sufficient contingencies built into it to absorb the proposed rate increase and not require adjusting the whole budget during the fiscal year. Budgetary line item 7500 includes all public utilities expenditures for the district (figure 10). Figure 11 illustrates each utility category included in line item 7500 and the projected total annual expenditures based on last fiscal year's total expenditures of \$14,098.33. The rate increases proposed by Utility Source would account for an estimated 14% increase in the Ponderosa fiscal year 06-07 budget line item 7500.

However if any other projected utility expenses were to increase even marginally other line items would have to be adjusted to meet the over expenditure. The worst-case scenario would involve adjusted expenditures affecting emergency services by limiting funds available for operations.

Although the Flagstaff Meadows Development serviced by Utility Source LLC in Bellemont is only a small part of the Ponderosa Fire District, a rate increase of the proposed magnitude would have an adverse impact throughout the District. All property owners within the district would be subjected to paying their proportionate share of the increased utility burden.

Intervention

The Ponderosa Fire District Board of Directors hereby requests that the Arizona Corporation Commission deny the Utility Source LLC the requested rate increases that were proposed by the utility in May 2006.

Mr. Bourassa in his testimony, Exhibit D, page 3, states "rate increases are necessary to ensure that the Company recovers its operating expenses and has an opportunity to earn a reasonable return on the fair value of its utility plant and property devoted to public service". He further states on page 3, "A 10.5 percent return on fair value rate base ("FVRB") is requested".

The Ponderosa Fire District Board of Directors would consider a rate increase for water and wastewater operating expenses that was equitable to all parties, and reduces the Utility Source's debt load over an extended period of time. The board also considers that the utility is entitled to a reasonable profit from operating revenues.

The use of undefined terms is ambiguous and confusing to the layperson who is the ultimate recipient of the services supplied by Utility Source LLC. The use of topic-specific terminology is required for technical discussion, but should not make the subject unintelligible.

The term "equity" seems to be used interchangeably by Mr. Bourassa for capital invested to develop the physical plant of the company, and/or an arbitrary fair market value of the company. Equity should be defined as the total of assets of the company less the company's liabilities. Return of equity should not be synonymous with return of capital.

The Ponderosa Fire District Board of Directors understands that corporations are allowed by the Arizona Corporation Commission a rate of return on capital invested. The Board feels that a 10.5 percent return on investment is excessive in today's financial markets.

The Ponderosa Fire District Board of Directors requests that the Arizona Corporation Commission consider any rate increases allowed to the Utility Source LLC be equitable to both the utility and the taxpayers of the Fire District. Any determinations are requested to be in line with current financial conditions.



Ponderosa Fire District

11851 Shadow Mountain Drive

PO Box 16359

Bellemont, AZ 86015

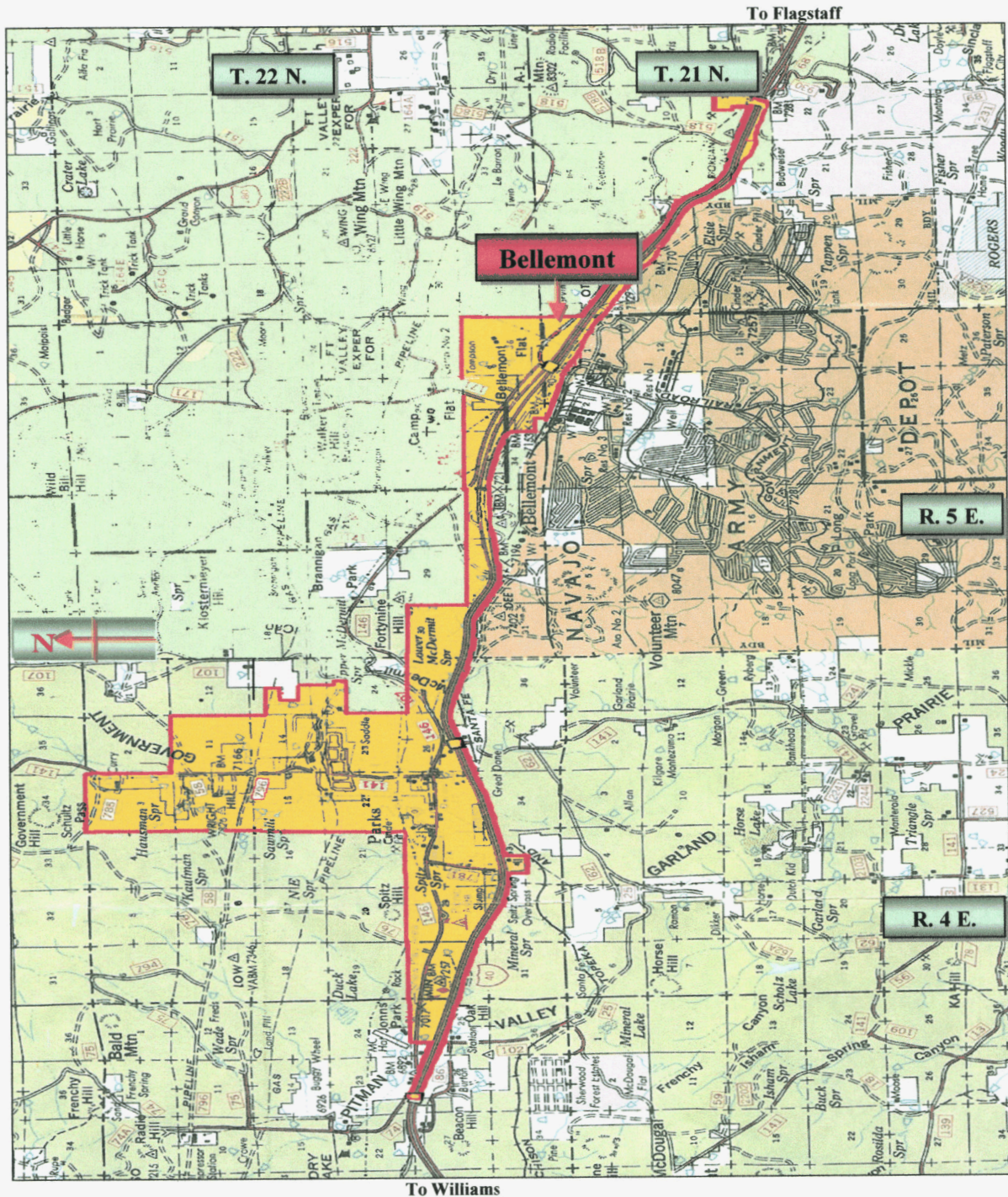


Figure 1: Ponderosa Fire District Map

Utility Source, LLC - Water Division
Test Year Ended December 31, 2005
Computation of Increase in Gross Revenue
Requirements As Adjusted

Exhibit
Schedule A-1
Page 1
Witness: Bourassa

| | | | | | |
|----------|---|------------|------------|------------|----------|
| Line No. | | | | | |
| 1 | Fair Value Rate Base | | \$ | 3,079,513 | |
| 2 | | | | | |
| 3 | Adjusted Operating Income | | | (77,896) | |
| 4 | | | | | |
| 5 | Current Rate of Return | | | -2.53% | |
| 6 | | | | | |
| 7 | Required Operating Income | | \$ | 323,349 | |
| 8 | | | | | |
| 9 | Required Rate of Return on Fair Value Rate Base | | | 10.50% | |
| 10 | | | | | |
| 11 | Operating Income Deficiency | | \$ | 401,245 | |
| 12 | | | | | |
| 13 | Gross Revenue Conversion Factor | | | 1.0000 | |
| 14 | | | | | |
| 15 | Increase in Gross Revenue Requirement | | \$ | 401,245 | |
| 16 | | | | | |
| 17 | | | | | |
| 18 | Customer | Present | Proposed | Dollar | Percent |
| 19 | Classification | Rates | Rates | Increase | Increase |
| 20 | (Residential Commercial, Irrigation) | | | | |
| 21 | 3/4 Inch Residential | \$ 76,792 | \$ 254,546 | \$ 177,754 | 231.47% |
| 22 | 1 1/2 Inch Commercial | 2,397 | 8,085 | 5,689 | 237.34% |
| 23 | 2 Inch Commercial | 3,868 | 13,092 | 9,224 | 238.46% |
| 24 | | | | | |
| 25 | Revenue Annualization | 6,121 | 20,441 | 14,320 | 233.95% |
| 26 | | | | | |
| 27 | Proforma Revenues | 83,560 | 277,740 | 194,180 | 232.38% |
| 28 | | | | | |
| 29 | Subtotal | \$ 172,738 | \$ 573,904 | \$ 401,166 | 232.24% |
| 30 | | | | | |
| 31 | Other Water Revenues | 1,657 | 1,657 | - | 0.00% |
| 32 | | | | | |
| 33 | | | | | |
| 34 | Total of Water Revenues (a) | \$ 174,395 | \$ 575,562 | \$ 401,166 | 230.03% |
| 35 | | | | | |
| 36 | | | | | |
| 37 | | | | | |
| 38 | | | | | |

Figure 2: Utility Source Exhibit A, Schedule A-1 showing the percentage increase of the proposed water rate adjustment.

Utility Source, LLC - Water Division
Changes in Representative Rates
Test Year Ended December 31, 2005

Exhibit
Schedule H-3
Page 1
Witness: Bourassa

| Line No. | Customer Classification and Meter Size | Present Rates | Proposed Rates | Percent Change |
|----------|--|---------------|----------------|----------------|
| 1 | <u>Monthly Usage Charge for:</u> | | | |
| 2 | <u>Residential, Commercial, Irrigation, Resale and Miscellaneous Customers</u> | | | |
| 3 | 5/8 x 3/4 Inch (NOT APPLICABLE) | \$ - | \$ - | 0.00% |
| 4 | 3/4 Inch | 6.48 | 24.30 | 275.00% |
| 5 | 1 Inch | 8.02 | 40.50 | 404.99% |
| 6 | 1 1/2 inch | 9.62 | 81.00 | 742.00% |
| 7 | 2 Inch | 14.00 | 129.60 | 825.71% |
| 8 | 3 Inch | - | 259.20 | 0.00% |
| 9 | 4 Inch | 58.00 | 405.00 | 598.28% |
| 10 | 6 Inch | 89.80 | 810.00 | 802.00% |
| 11 | Construction, Bulk, Standpipe | - | - | 0.00% |
| 12 | | | | |
| 13 | <u>Gallons In Minimum</u> | | | |
| 14 | All Meter Sizes | - | - | |
| 15 | | | | |
| 16 | | | | |
| 17 | | | | |
| 18 | | | | |
| 19 | <u>Residential (all meter sizes)</u> | | | |
| 20 | Tier 1 | - | Up to 5,000 | \$ 2.83 |
| 21 | Tier 2 | From 5,001 | Up to 15,000 | \$ 3.32 |
| 22 | Tier 3 | Over 15,000 | | \$ 4.71 |
| 23 | | | | |
| 24 | <u>Muti-Family, Mobile Home, Commercial</u> | | | |
| 25 | All gallons | | | \$ 2.97 |
| 26 | | | | |
| 27 | <u>Irrigation</u> | | | |
| 28 | All gallons | | | N/A |
| 29 | | | | |
| 30 | <u>Standpipe</u> | | | |
| 31 | All gallons | | | \$ 6.00 |
| 32 | | | | |
| 33 | <u>Construction Water</u> | | | |
| 34 | All gallons | | | \$ 6.00 |
| 35 | | | | |
| 36 | | | | |
| 37 | | | | |

Figure 3: Utility Source Exhibit A, Schedule H-3 showing the percentage increase of the proposed Monthly Usage rate adjustment.

Utility Source, LLC - Water Division
 Bill Comparison at Present and Proposed Rates
 Customer Classification: 2 Inch Meters - Commercial

Exhibit
 Schedule H-4
 Page 3
 Witness: Bourassa

| Usage | Present Bill | Proposed Bill | Dollar Increase | Percent Increase |
|----------------------|-----------------|------------------|--------------------|---------------------|
| - | \$ 14.00 | \$ 129.60 | \$ 115.60 | 825.71% |
| 1,000 | 16.97 | 138.86 | 121.89 | 718.27% |
| 2,000 | 19.94 | 148.12 | 128.18 | 642.83% |
| 3,000 | 22.91 | 157.38 | 134.47 | 586.95% |
| 4,000 | 25.88 | 166.64 | 140.76 | 543.90% |
| 5,000 | 28.85 | 175.90 | 147.05 | 509.71% |
| 6,000 | 31.82 | 185.16 | 153.34 | 481.91% |
| 7,000 | 34.79 | 194.42 | 159.63 | 458.85% |
| 8,000 | 37.76 | 203.68 | 165.92 | 439.42% |
| 9,000 | 40.73 | 212.94 | 172.21 | 422.82% |
| 10,000 | 43.70 | 222.20 | 178.50 | 408.48% |
| 12,000 | 49.64 | 240.73 | 191.09 | 384.94% |
| 14,000 | 55.58 | 259.25 | 203.67 | 366.44% |
| 16,000 | 61.52 | 277.77 | 216.25 | 351.51% |
| 18,000 | 67.46 | 296.29 | 228.83 | 339.21% |
| 20,000 | 73.40 | 314.81 | 241.41 | 328.90% |
| 25,000 | 88.25 | 361.11 | 272.86 | 309.19% |
| 30,000 | 103.10 | 407.41 | 304.31 | 295.16% |
| 35,000 | 117.95 | 453.72 | 335.77 | 284.67% |
| 40,000 | 132.80 | 500.02 | 367.22 | 276.52% |
| 45,000 | 147.65 | 546.32 | 398.67 | 270.01% |
| 50,000 | 162.50 | 592.62 | 430.12 | 264.69% |
| 60,000 | 192.20 | 685.23 | 493.03 | 256.52% |
| 70,000 | 221.90 | 777.83 | 555.93 | 250.53% |
| 80,000 | 251.60 | 870.44 | 618.84 | 245.96% |
| 90,000 | 281.30 | 963.04 | 681.74 | 242.35% |
| 100,000 | 311.00 | 1,055.65 | 744.65 | 239.44% |
| <u>Average Usage</u> | | | | |
| 103,821 | 322.35 | 1,091.03 | 768.68 | 238.46% |
| <u>Median Usage</u> | | | | |
| 100,901 | 313.68 | 1,063.99 | 750.31 | 239.20% |

Present Rates:
 Monthly Minimum: \$ 14.00
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 All gals \$ 2.97

Proposed Rates:
 Monthly Minimum: \$ 129.60
 Gallons in Minimum
 Charge Per 1,000 Gallons
 All gals \$ 9.26

Part 1 of 1

Figure 4: Utility Source Exhibit A, Schedule H-4 showing the monetary value of proposed total Combined Monthly Water rate increase

Utility Source, LLC - Sewer Division
Test Year Ended December 31, 2005
Computation of Increase in Gross Revenue
Requirements As Adjusted

Exhibit
Schedule A-1
Page 1
Witness: Bourassa

| | | | | | |
|----------|---|-------------------|-------------------|-------------------|-----------------|
| Line No. | | | | | |
| 1 | Fair Value Rate Base | | \$ | 1,401,953 | |
| 2 | | | | | |
| 3 | Adjusted Operating Income | | | (40,014) | |
| 4 | | | | | |
| 5 | Current Rate of Return | | | -2.85% | |
| 6 | | | | | |
| 7 | Required Operating Income | | \$ | 147,205 | |
| 8 | | | | | |
| 9 | Required Rate of Return on Fair Value Rate Base | | | 10.50% | |
| 10 | | | | | |
| 11 | Operating Income Deficiency | | \$ | 187,219 | |
| 12 | | | | | |
| 13 | Gross Revenue Conversion Factor | | | 1.0000 | |
| 14 | | | | | |
| 15 | Increase in Gross Revenue Requirement | | \$ | 187,219 | |
| 16 | | | | | |
| 17 | | | | | |
| 18 | Customer | Present | Proposed | Dollar | Percent |
| 19 | Classification | Rates | Rates | Increase | Increase |
| 20 | (Residential Commercial, Irrigation) | | | | |
| 21 | 3/4 Inch Residential | \$ 47,983 | \$ 127,970 | \$ 79,988 | 166.70% |
| 22 | 1.5 Inch Commercial | 2,750 | 7,334 | \$ 4,584 | 166.70% |
| 23 | 2 Inch Commercial | 3,326 | 8,872 | \$ 5,545 | 166.70% |
| 24 | | | | | 0.00% |
| 25 | Revenue Annualization | 3,836 | 10,230 | \$ 6,394 | 166.70% |
| 26 | | | | | 0.00% |
| 27 | Proforma Revenues | 54,353 | 144,959 | \$ 90,606 | 166.70% |
| 28 | | | | - | 0.00% |
| 29 | Subtotal | \$ 112,248 | \$ 299,365 | \$ 187,117 | 166.70% |
| 30 | | | | | |
| 31 | Other Revenues | 1,657 | 1,657 | - | 0.00% |
| 32 | | | | | 0.00% |
| 33 | | | | | 0.00% |
| 34 | Total of Water Revenues (a) | \$ 113,905 | \$ 301,022 | \$ 187,117 | 164.27% |
| 35 | | | | | |
| 36 | | | | | |
| 37 | | | | | |
| 38 | | | | | |
| 39 | | | | | |
| 40 | | | | | |
| 41 | <u>SUPPORTING SCHEDULES:</u> | | | | |
| 42 | B-1 | | | | |
| 43 | C-1 | | | | |
| 44 | C-3 | | | | |
| 45 | H-1 | | | | |
| 46 | | | | | |

Figure 5: Utility Source Exhibit B, Schedule A-1 showing the percentage increase of the proposed Waste Water rate adjustment.

Utility Source, LLC - Sewer Division
 Bill Comparison at Present and Proposed Rates
 Customer Classification: 2 Inch Meters - Commercial

Exhibit
 Schedule H-4
 Page 3
 Witness: Bourassa

| <u>Usage</u> | <u>Present</u> <u>Bill</u> | <u>Proposed</u> <u>Bill</u> | <u>Dollar</u> <u>Increase</u> | <u>Percent</u> <u>Increase</u> |
|----------------------|-------------------------------|--------------------------------|----------------------------------|-----------------------------------|
| - | \$ - | \$ - | \$ - | #DIV/0! |
| 1,000 | 2.67 | 7.12 | 4.45 | 166.70% |
| 2,000 | 5.34 | 14.24 | 8.90 | 166.70% |
| 3,000 | 8.01 | 21.36 | 13.35 | 166.70% |
| 4,000 | 10.68 | 28.48 | 17.80 | 166.70% |
| 5,000 | 13.35 | 35.60 | 22.25 | 166.70% |
| 6,000 | 16.02 | 42.73 | 26.71 | 166.70% |
| 7,000 | 18.69 | 49.85 | 31.16 | 166.70% |
| 8,000 | 21.36 | 56.97 | 35.61 | 166.70% |
| 9,000 | 24.03 | 64.09 | 40.06 | 166.70% |
| 10,000 | 26.70 | 71.21 | 44.51 | 166.70% |
| 12,000 | 32.04 | 85.45 | 53.41 | 166.70% |
| 14,000 | 37.38 | 99.69 | 62.31 | 166.70% |
| 16,000 | 42.72 | 113.93 | 71.21 | 166.70% |
| 18,000 | 48.06 | 128.18 | 80.12 | 166.70% |
| 20,000 | 53.40 | 142.42 | 89.02 | 166.70% |
| 25,000 | 66.75 | 178.02 | 111.27 | 166.70% |
| 30,000 | 80.10 | 213.63 | 133.53 | 166.70% |
| 35,000 | 93.45 | 249.23 | 155.78 | 166.70% |
| 40,000 | 106.80 | 284.84 | 178.04 | 166.70% |
| 45,000 | 120.15 | 320.44 | 200.29 | 166.70% |
| 50,000 | 133.50 | 356.04 | 222.54 | 166.70% |
| 60,000 | 160.20 | 427.25 | 267.05 | 166.70% |
| 70,000 | 186.90 | 498.46 | 311.56 | 166.70% |
| 80,000 | 213.60 | 569.67 | 356.07 | 166.70% |
| 90,000 | 240.30 | 640.88 | 400.58 | 166.70% |
| 100,000 | 267.00 | 712.09 | 445.09 | 166.70% |
| | | | | |
| <u>Average Usage</u> | | | | |
| 103,821 | 277.20 | 739.30 | 462.09 | 166.70% |
| <u>Median Usage</u> | | | | |
| 100,901 | 269.41 | 718.50 | 449.10 | 166.70% |

Present Rates:
 Monthly Minimum: \$ -
 Gallons in Minimum -
 Charge Per 1,000 Gallons \$ 2.67

Proposed Rates:
 Monthly Minimum: \$ -
 Gallons in Minimum -
 Charge Per 1,000 Gallons \$ 7.12

Part 1 of 1

Figure 6: Utility Source Exhibit B, Schedule H-4, page 3, showing monetary value of proposed Waste Water rate increase.

Parks Bellemont Fire
PO Box 16359
Bellemont, AZ 86015

Utility Source
721 E. San Pedro
Gilbert, AZ 85234
866-768-3500

Account Number: 819-996
Billing Date: 08-12-2006 Due Date: 09-02-2006

Service Period: 07-02-2006 to 08-02-2006
Service Address: 1-40 Exit 185

| Service Type | Previous Reading | Current Reading | Usage in Gallons | Rate / 1000 Gallons | Charge |
|-----------------------|------------------|-----------------|------------------|---------------------|---------|
| Base Charge: 2" meter | 24000 | 28400 | | | \$14.00 |
| Sewer: | | | 4400 | \$2.73 | \$12.01 |
| Water: 0-5000 | | | 4400 | \$2.97 | \$13.07 |
| Water: 5000-15000 | | | 0 | \$2.97 | \$0.00 |
| Water: Over 15000 | | | 0 | \$2.97 | \$0.00 |
| Total Water: | | | 4400 | | \$13.07 |

Balance as of 7/14/2006: \$(7.48)

New Charges Base, Water, and Sewer fees: \$39.08
Tax (for base charge and water): \$1.77
Total Amount Due: \$33.37*
Due Date: 09-02-2006

*Note: $\$33.37 + \7.48 Balance due = \$40.85 Total Amount Due

Figure 7. Average Monthly Bill before rate increases

Parks Bellemont Fire
PO Box 16359
Bellemont, AZ 86015

Utility Source
721 E. San Pedro
Gilbert, AZ 85234
866-768-3500

Account Number: 819-996
Billing Date: 08-12-2006 Due Date: 09-02-2006

Service Period: 07-02-2006 to 08-02-2006
Service Address: 1-40 Exit 185

| Service Type | Previous Reading | Current Reading | Usage in Gallons | Rate / 1000 Gallons | Charge |
|-----------------------|------------------|-----------------|------------------|---------------------|----------|
| Base Charge: 2" meter | 24000 | 28400 | | | \$129.60 |
| Sewer: | | | 4400 | \$7.12 | \$31.32 |
| Water: 0-5000 | | | 4400 | \$9.26 | \$40.74 |
| Water: 5000-15000 | | | 0 | \$9.26 | \$0.00 |
| Water: Over 15000 | | | 0 | \$9.26 | \$0.00 |
| Total Water: | | | 4400 | | \$40.74 |

Balance as of 7/14/2006: \$0.00

New Charges Base, Water, and Sewer fees: \$201.67
5.6% Tax (for base charge and water): \$4.69
Total Amount Due: \$206.36
Due Date: 09-02-2006

Figure 8. Average Monthly Bill after proposed rate increases.

Arizona Corporation Commission

12/10/2006

State of Arizona Public Access System

10:24 AM

| Corporate Inquiry | |
|---|-------------------------|
| File Number: L-1005592-7 12/31/2049 | LATEST DATE TO DISSOLVE |
| <input type="button" value="Check Corporate Status"/> | |
| Corp. Name: UTILITY SOURCE, L.L.C. | |

| Domestic Address |
|-------------------|
| 721 E SAN PEDRO |
| GILBERT, AZ 85234 |

| Statutory Agent Information |
|------------------------------------|
| Agent Name: KENT MACKINLAY |
| Agent Mailing/Physical Address: |
| 1019 S STAPLEY |
| MESA, AZ 85204 |
| Agent Status: APPOINTED 10/12/2001 |
| Agent Last Updated: |

| Officer and Director Information | |
|----------------------------------|--------------------------|
| Name: LONNIE MCCLEVE | |
| Title: MEMBER | |
| Address: 721 E SAN PEDRO | |
| GILBERT, AZ 85234 | |
| Date Assigned: 10/12/2001 | Last Updated: 10/26/2001 |

| Additional Corporate Information | |
|---|---|
| | Corporation Type: DOMESTIC L.L.C. |
| Incorporation Date: 10/12/2001 | Corporate Life Period: |
| Domicile: ARIZONA | County: MARICOPA |
| Approval Date: 10/12/2001 | Original Publish Date: |
| Dissolution/Withdrawl: LATEST DATE TO DISSOLVE | Dissolution/Withdrawl Date: 12/31/2049 |

| Annual Reports |
|---------------------------|
| No Annual Reports on File |

| Scanned Documents | | |
|---|-------------|---------------|
| (Click on gray button to view document) | | |
| Document Number | Description | Date Received |

| Microfilm | | |
|----------------|---------------|--------------------------|
| Location | Date Received | Description |
| 1-1487-019-036 | 10/12/2001 | ARTICLES OF ORGANIZATION |

- [Corporate Name Search Instructions](#)
- [General Web Site Usage Instructions](#)
- [Return to STARPAS Main Menu](#)
- [Return to A.C.C. Corporations Division Main Page](#)
- [Return to Arizona Corporation Commission Home Page](#)

Figure 9: Arizona Corporation Commission Corporate Inquiry

Parks Bellemont Fire District

Proposed Budget 2006/2007

Assessed Valuation 18,402,764

REVENUES

| | |
|--|---------------|
| 4100 Property Tax Revenues | 276,041 |
| 4203 Fire District Assistance Tax | 55,208 |
| 4201 Grants Income | 1,000,000 |
| 4202 GADA Loan Income | 2,100,000 |
| 4303 Out of District Billing | 60,000 |
| 4400 Other Income | 6,000 |
| 3100 Carry Forward - Cash | <u>75,000</u> |

**TOTAL
REVENUES**

3,572,250

EXPENDITURES

Maintenance & Operations

PERSONNEL SERVICES

| | |
|-------------------------------------|--------|
| 6001 Fire Chief | 46,000 |
| 6002 Deputy Chief | 21,000 |
| 6003 Firefighters | 0 |
| 6050 Volunteer Stipends | 20,000 |
| 6051 Vol.Out of District Pay | 30,000 |
| 6200 Insurance | 5,000 |
| 6300 Employment – uniforms | 3,000 |

**Total Personnel
Services**

125,000.00

OPERATIONS

| | |
|--|-------|
| 6400 Fuel, Oil & Lubricants | 6,000 |
| 6500 Vehicle Repairs & Maintenance | 5,000 |
| 6650 Fire Protection Gear & Equipment | 5,000 |
| 6700 Communications & Dispatch | 6,000 |
| 6800 Fire Fighting Supplies & Equipment | 4,000 |
| 6900 Miscellaneous Supplies & Expenses | 4,500 |

**Total
Operations**

30,500

OTHER SERVICES & CHARGES

| | |
|-----------------------------------|-----------|
| 7000 Administrative | 15,000 |
| 7020 Grant Expenditures | 1,000,000 |
| 7030 Loan Expenditures | 2,100,000 |
| 7100 Professional Services | 10,000 |
| 7300 Training | 15,000 |

| | | |
|---|------------------|------------------------------|
| 7400 Insurance | 10,000 | |
| 7500 Public Utilities | 20,000 | |
| 7600 Leases & Rentals | 2,000 | |
| 7700 Repairs & Maintenance | 7,000 | |
| 7800 Interest Expense | 57,555 | |
| 7850 Grants Expense | 1 | |
| 7900 Miscellaneous | 1,200 | |
| Total Other Services & Charges | 3,237,756 | |
| <u>TOTAL EXPENDITURES – MAINTANCE – OPERATIONS</u> | | 3,393,256 |
| <u>CAPITAL</u> | | |
| 9102 Building - Parks | 19,000 | |
| 9103 Building – Bellemont | 30,377 | |
| 9301 Improvements Other than Buildings | 1,500 | |
| 9400 Vehicles / Apparatus | 32,560 | |
| 9500 Machinery & Equipment | 2,000 | |
| Total Capital | 85,437 | |
| <u>TOTAL EXPENDITURES – Maintenance + Operations + Capital</u> | | 3,478,693 |
| 3200 Carry forward - Capital | | 93,557 |
| <u>TOTAL EXPENDITURES – Maintenance + Operations + Capital + Carry Forward</u> | | 3,572,250 |
| Tax Rate | \$ 1.50 | Per \$100 Assessed valuation |

Figure 10. Ponderosa Fire District 2006-2007 Budget

Expanded Line Item 7500 from the 2006-07 Budget

| <u>Utility</u> | <u>Current Budgeted Expenses/year</u> |
|--|--|
| Garbage: | |
| \$38.00/month/Station | \$912.00 |
| Heating: | |
| UniSource: Average \$200.00/month | \$2,400.00 |
| Alstar Propane: Average \$250.00/month | \$3,000.00 |
| Electricity: | |
| Station 81, Parks: 100.00/month | \$1,200.00 |
| Station 82, Bellemont: \$150.00/month | \$1,800.00 |
| Septic: | |
| Station, 81 Parks: 4X @\$390.00/pump | \$1,560.00 |
| Water: | |
| Station 81, Parks*: Fire Fighting | \$3,5000.00 |
| Drinking | \$500.00 |
| Station 82, Bellemont: average @ \$40.85/month | \$490.00 |
| Total Estimated Budgeted Annual Expenditures: \$15,362.00 | |

Line Item 7500 total with the Utility Source proposed increase: **\$17,348.32**
(\$206.36/month X 12 =s \$2,476.32)

Resulting in a 14% Increase in Line Item 7500

* All water used by the Parks Station may be bought from commercial water hauling contractors.

Figure 11: Expanded line item 7500 from the 2006-07 Budget